



**TOWN OF FREMONT NH
REQUEST FOR PROPOSAL
FINANCIAL AND COMPLIANCE AUDIT**

INTRODUCTION

The Town of Fremont New Hampshire invites qualified independent certified public accounting firms to submit proposals for the performance of an audit of its general purpose financial statements and related disclosures for the purpose of expressing an audit opinion relative to the fairness of the presentation in accordance with accounting principles generally accepted in the United States of America. The auditor shall state that the primary purpose of the audit is to express an opinion on the general purpose financial statements taken as a whole and that the audit is subject to adherent risk that errors or irregularities may occur and not be detected.

To be considered, four copies of the proposal must be received by The Town of Fremont no later than 2:00 pm Thursday October 13, 2011. Submission of a proposal indicates acceptance by the firm of the conditions in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town of Fremont and the selected firm. There is no expressed or implied obligation for the Town of Fremont to reimburse firms for any expenses incurred in preparing proposals in response to this request. It is anticipated that the selection of a firm will be completed in a timely manner following the notification of the selected firm, it is expected that an engagement letter will be executed between both parties within 30 days of approval.

GENERAL INFORMATION

The Town of Fremont is a municipal government of the State of New Hampshire. The Town serves an area of 17 square miles with a population of approximately 4,250. A three member Board of Selectmen govern the Town of Fremont.

The Town's fiscal year runs from January 1 to December 31, with a budgetary appropriation of \$2,651,705 for 2011 including 199,046 in warrant articles and a 2,452,659 operating budget. Of that, \$202,692 is General Long-Term Debt and Notes Payable. The Town of Fremont has a current work force of seven (7) full time employees and 25+ part time employees (excluding seasonal and EMT/firefighters). The Town currently writes approximately 1,750 accounts payable checks and 950 payroll checks per year.

The Town uses QuickBooks financial management software for payroll, fund accounting and revenue, Avitar software for the Town Clerk, BMSI Tax Collection for the Tax Collector and Vision for the Assessing Department records. The conversion to QuickBooks took place as of January 1, 2011.

The most recent audit (not GASB 34 compliant) of the Town of Fremont was performed in 2010 for the period of January 1, 2010 to December 31, 2010. A copy of the auditor's report is available for inspection upon request.

The Town has a general operating fund, special revenue funds, capital project funds, trust and agency funds and long-term debt account groups.

AUDIT SCOPE

Indicate in your proposal if you agree to meet or exceed the following performance specifications. Explain any exceptions you have regarding them.

1. The auditor shall conduct the examination in accordance with generally accepted government Auditing standards (GAGAS) and procedures applicable to governmental units, as prescribed in the following documents:

- AICPA, Statements on Auditing Standards and Audits of State and Local Government Units;
- General Accounting Office, Standards for Audit and Governmental Organizations, Programs, Activities and Functions;
- Governmental Accounting, Auditing, and Financial Reporting (GAAFR);
- Governmental Generally Accepted Accounting Principals (GAAP);
- Governmental Accounting Standards Board Series (GASB); and
- Provisions of the Federal Single Audit Act Amendments of 1996, and Inspector General Act of 1978, as amended (if applicable)

2. The audit shall be a financial and compliance review of the following accounts. The following list is not all-inclusive:

a) Major Governmental Funds:

- General Fund

b) Investment Accounts

- NH Public Deposit Investment Pool
- Conservation Commission
- Revolving Funds
 - 1. Cable Franchise Fees
- Special Revenue Funds
 - 1. Parks & Recreation
 - 2. OHRV Fines
- Escrow Accounts
- Impact Fee Accounts
- Permanent Funds held by Trustees of Trust Funds not limited to
 - 1. Trust Funds
 - 2. Cemetery Trust Funds
 - 3. Educational/Scholarship Funds

3. The audit shall cover a three-year period from January 1, 2011, through December 31, 2013. At the discretion of the Board of Selectmen, the contract may be extended for another year.

4. It is anticipated that the audit will be performed in February or March annually. The auditor shall submit a report of the financial statements and supplemental schedules no later than April 1st. The auditor shall complete the state required report (NH MS-5) for submission to the New Hampshire Department of Revenue Administration Municipal Services Division no later than April 1st.

The Town will make its records and other financial documents available prior to the end of the Fiscal year so that the firm may begin its preliminary work before the close of the fiscal year in order to complete its report on a timely basis.

5. The Town staff shall render all feasible assistance to the auditor and shall respond to requests within reason for information; provide all necessary books and records; provide any account analysis worksheets, computer report (s) on all activity on requested accounts, and a draft of the preliminary financial statements; and provide physical facilities required by the auditors for the expeditions conduct of this engagement.

6. The auditor shall review the system of internal control and of compliance with budgetary legal requirements by the Town and provide recommendations in the form of a management letter. The auditor shall communicate any reportable condition found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the Town's ability to record, process, summarize and report financial data. Said letter shall include written responses by governmental officials to the auditor's observations.

7. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to the Board of Selectmen, which shall be referred to in the management letter.

8. Auditors shall be required to make an immediate written report to the Board of Selectmen, of irregularities and illegal acts of which they become aware.

9. If required, the auditor shall perform the audit and prepare all reports pertaining to the Single Audit Act Amendments of 1996 and IMB Circular A-133. The auditor is not required to audit the schedule of federal financial assistance. However, the auditor is to provide an "in-relation-to) report on that schedule based on the auditing procedures applied during the audit of the financial statements.

10. The working papers shall be retained for at least five (5) years, and shall be available for examination by the following parties upon written required from the Town of Fremont.

- a) Authorized representative of the Town of Fremont, including but not limited to the Board of Selectmen and the Town Administrator.
- b) Parties designated by federal or state governments or by the Town of Fremont as part of an audit quality review process.

- c) Auditors or entities of which the Town of Fremont is a sub-recipient of grant funds.
 - d) The firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.
11. The auditor shall provide the Town Administrator with the basic governmental Fund financial statements and other supplemental schedules that were used to convert to the government-wide financial statements.
12. The auditor shall provide four (4) original paper copies of the financial statements and supplemental schedules and four (4) copies of the reportable conditions report and the management letter. An electronic file copy shall also be provided.
13. The representative of the firm who is in charge of the audit shall attend a meeting with the Board of Selectmen, at which time the audit report will be discussed. The representative of the firm who is in charge of the audit shall be available to discuss the audit report or other reports required by this proposal with the Town's financial staff as required.
14. Should the auditor encounter circumstances requiring an increase in the scope of the audit, or in extent of detailed investigation, written notice to that effect will be given to the Board of Selectmen, and this contract will be modified by mutual agreement as to the additional work and compensation.
15. The Town of Fremont views its engagement with an audit firm as an ongoing professional relationship in which the firm will be required to provide up to sixteen (16) hours of advisory services, as needed during the course of the year.

INSTRUCTIONS REGARDING PROPOSALS

Four (4) copies of your sealed proposal will be accepted by the Town Administrator, by mail to PO Box 120, Fremont NH 03044-0120, until 2:00 pm on Thursday October 13, 2011. Proposals delivered in hand will be accepted at the Selectmen's Office at 295 Main Street in Fremont until the deadline. Proposals will be reviewed at the next available Selectmen's meeting

Proposals must include:

1. Qualifications of the Firm

- a) A description of your firm and its relevant prior experience.
- b) List of any experience with the CFOA, Certificate of Achievement for Excellence in Financial Reporting.
- c) List references pertaining to the audit of government agencies and/or municipalities.
- d) A description of the partner (s) and manager (s) to be assigned to this engagement, including their resumes.
- e) A list of the audit personnel. The Town requires continuity of audit personnel throughout the audit.

- f) An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed or practice in New Hampshire.

2. Technical Approach

- a) Express agreement to meet or exceed the performance specifications stated in Section B.
- b) A tentative schedule for performing the key phases of the audit.
- c) A brief description of the audit procedures to be followed, presented in a form which shall best aid the Town in evaluating your firm's ability to identify, evaluate, and communicate on local government financial problems.
- d) The required number of hours with each job that the Town personnel must spend with your firm's audit team to pull information and answer questions.

3. Fees

The firm's proposal must indicate the estimated hours required and maximum total your firm will charge the Town for each year of this proposal for the General Purpose Financial Statement Audit including the MS-5, and for a Single Audit.

The final payment for any audit shall become due only after submission of all reports required by this document and their acceptance by the Town and/or federal and state grantor agencies.

Should the firm encounter circumstances requiring an increase in the extent of detailed investigation, or should the Town require an increase in the scope of the audit, written notice to that effect must be given to the other party.

The engagement can then be modified by mutual agreement as to additional work and compensation.

4. Manner of Payment

Progress payments will be made on the basis of work completed during the course of the engagement. Interim billing shall cover a period of not less than two weeks. Interim billing can not exceed the total cost of the engagement. Ten (10) percent may be withheld from each billing pending delivery of the firm's final reports.

5. Insurance Requirements

The firm awarded the contract shall maintain, at their own expense, during the life of the contract, insurance against professional liability in the amount of \$1,000,000. The firm shall also maintain at their own expense, during the life of the contract, the statutory Workers Compensation and Employee's Liability Insurance for all its employees engaged in work for this contract. Successful firm will be required to provide full insurance documentation at the time of execution of a contract, and a Certificate of Insurance naming the Town of Fremont as an additional insured.

6. Non-collusion clause

The following non-collusion clause shall be part of every bid specification package. Bidders must sign this statement and include it with their bid in order for the bid to be valid:

“The undersigned certified under penalties of perjury that this bid is in all respects bona fide, fair and made without collusion or fraud with any other person. As use in this section the word “person” means any natural person, joint venture, partnership, corporation or other business or legal entity.”

Name of person signing bid	Date
Company	

EVALUATION PROCEDURES

The Town shall evaluate the proposals on the basis of the qualifications, relevant expertise and experience, the audit approach, and responsiveness of the proposals, as well as the maximum fee for the engagement.

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the Town of Fremont and the firm selected.

TERMINATION OF AUDIT

If the audit firm fails to substantially comply with the specifications contained in this Request for Proposal, then the Town of Fremont reserves the right to terminate the engagement after completion of any audit year upon written notice to the firm.

AWARD OF CONTRACT

The Board of Selectmen will select a firm based on an evaluation process and the proposals submitted. It is anticipated that a firm will be selected no later than October 27, 2011. Following notification of the firm selected, a contract shall be presented by the Auditing firm for review, to be executed between both parties by November 10, 2011.

The Town reserves the right to negotiate with the individual firm and to request additional information. The Town reserves the right to accept or reject any/all bids deemed to be in the best interest of the Town of Fremont; and to accept the proposal that the Town deems to be in the best interest of the Town, regardless of lowest bid amount.

The Town of Fremont reserves the right to request additional data or information or a presentation in support of written proposals. However, the Town may award a contract based on offers received, without additional submissions. Accordingly, the proposal should be submitted

on the most favorable terms from all aspects, which the Bidder can submit. The Town reserves all rights to negotiate with the consultant of its choice based not solely upon cost alone, but on the qualifications and ability of the consultant to perform, consistent with the Town's intent, requirements, time schedule, and funds availability.

RIGHT TO REJECT

The Town of Fremont reserves the right to reject any and all proposals submitted and to request additional information from all proposing parties. Any award will be made to the firm which is best qualified to meet the specific requirements of the Town.

FURTHER INFORMATION

Financial records and the 2010 auditor's report for the Town of Fremont will be available for inspection on an appointment basis. All inquiries regarding the RFP and all requests for appointments will be direct to Heidi Carlson, Town Administrator, at (603) 895-2226 x 10, by email at Fremontta@comcast.net or fax at (603) 895-3149.

All contractors shall be aware of and follow as necessary, the Town's policies, available on the Town's website at www.Fremont.nh.gov on the Board of Selectmen's Page. Submission of a proposal considers that the contractor has reviewed and understands all applicable policies.